

Advising the Congress on Medicare issues

Introduction: Expert panel on new research on use of imaging services

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Main points

- Imaging has contributed to improvements in diagnosis and treatment
- Concerns about rapid growth, geographic variations, quality, inappropriate use
- Commission has focused on quality and payment accuracy

Commission recommendations on imaging (March 2005)

The Congress should direct the Secretary to set standards for all providers who bill Medicare for performing and interpreting diagnostic imaging studies. The Secretary should select private organizations to administer the standards.

- Congress mandated accreditation for providers who perform advanced imaging (MIPPA, 2008)

Commission recommendations on imaging (March 2005)

CMS should

- Improve Medicare's coding edits to reduce unbundling of imaging services
- Reduce the technical component payment for multiple imaging services performed on contiguous body parts
 - CMS adopted multiple procedure payment reduction for imaging – budget neutral (2006)

Commission recommendations on imaging (March 2005)

CMS should

- Prohibit physician self-referral of nuclear medicine services, unless provided in physician's office
 - CMS adopted recommendation (2006)
- Prohibit physician ownership of entities that lease space or equipment to health care providers to which they refer patients
 - CMS adopted recommendation in part (2008)

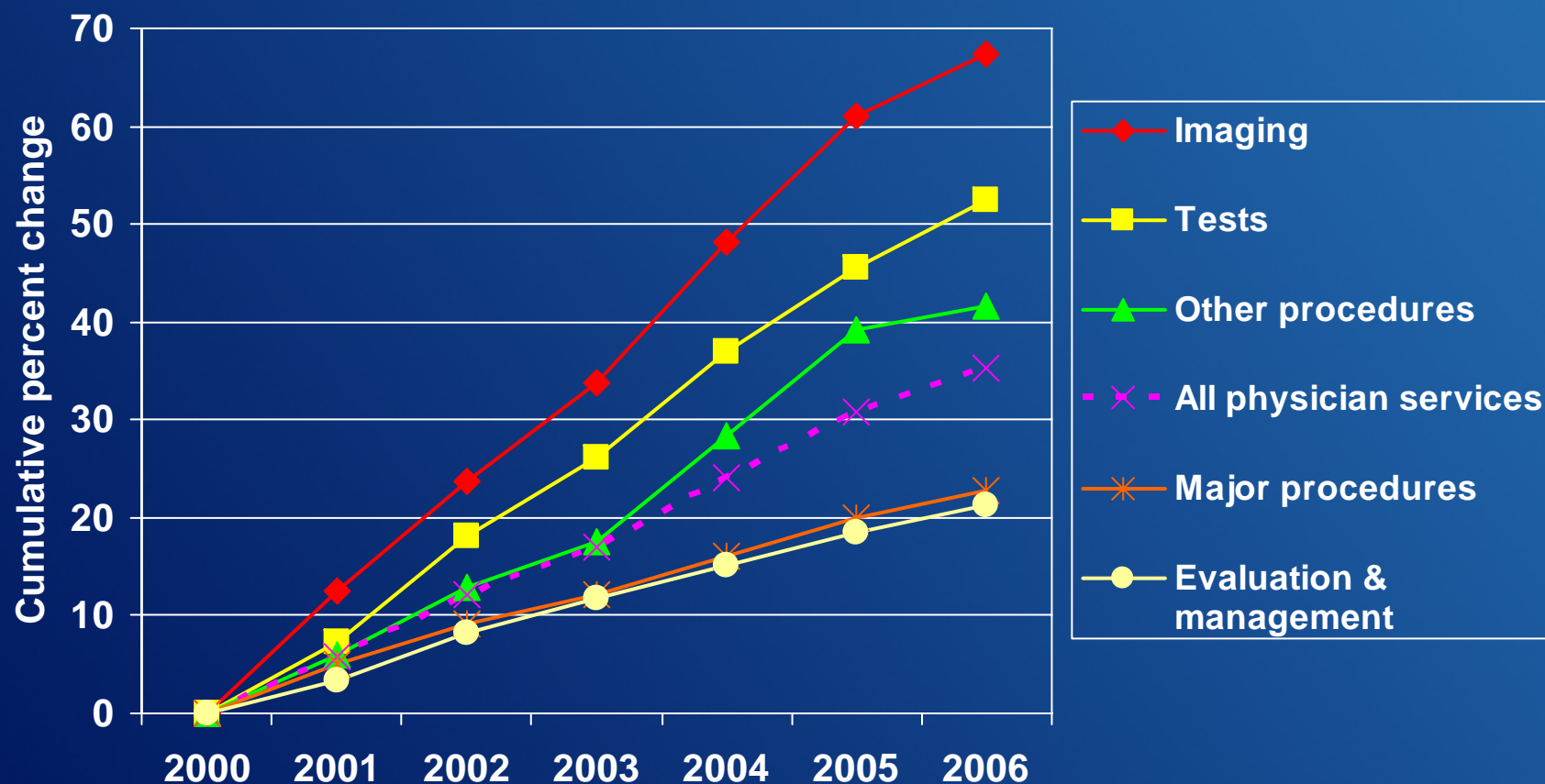
Physician fee schedule may not pay accurately for certain imaging services

- MRI and CT services may be overvalued because of how CMS calculates equipment costs (June 2006)
- CMS's method of adjusting for geographic differences in input prices may overpay for imaging in areas with high input costs, underpay in areas with low costs (June 2007)

Deficit Reduction Act of 2005 reduced payments for many imaging services

- Savings from multiple procedure payment reduction for imaging kept for trust fund
- Physician fee schedule rate for technical component of imaging may not exceed hospital outpatient rate
- CBO estimated savings of \$500 million for 2007

Imaging had highest cumulative growth in use of physician services per beneficiary, 2000-2006



Note: Includes only services paid under the physician fee schedule.
Source: Analysis of physician claims for 100 percent of Medicare beneficiaries.

Expert panel members

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 - Professor of Health Research and Policy, Stanford University School of Medicine
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